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E-filed: July 16, 2013

8 UNITED STATES BANKRUPTCY COURT
9 DISTRICT OF NEVADA

10 In re:

Chapter 12

11 PATRICK AND PATRICIA McCAULEY,

CASE NO: BK-N-13-50194-btb

12 SUPPLEMENT TO THE FIRST AMENDED
13 CHAPTER 12 PLAN

14 Joint Debtors.

Hearing Date: July 16, 2013
Hearing time: 3:00 p.m.

15 **DEBTORS** hereby file an updated Exhibit 1 to their First Amended Chapter 12 Plan filed
16 herein on July 12, 2013 (Doc. 75). This exhibit, as attached, shows the effect of the proposed July
17 15, 2013 settlement with the Dambacher Trust on Debtors' expenses.

18 Dated: July 16, 2013.

19 WHITE LAW CHARTERED

20 By: /s/ John White
21 John White, Esq.
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CERTIFICATE OF SERVICE

I hereby certify that on the date below shown, I served a true and correct copy of the attached SUPPLEMENT TO THE FIRST AMENDED CHAPTER 12 PLAN, to the parties below, in the following manner:

X a. Via the Court's ECF System, on the following:

Michael R. Brooks on behalf of Creditor John J. Benner and Mary Alice Sandstrom, General Partnership jsallade@brooksbauser.com

Christopher D. Jaime on behalf of Creditor Milton Dambacher cjaime@melrebolaw.com,
kbernhardt@melrebolaw.com

Jan P. Johnson ch12jph13trustee.com

John White Bankruptcy@whitelawchartered.com, john@whitelawchartered.com

Nathan R. Zetzer nrzbk@yahoo.com; nrzbk@gmail.com

____ b. Via United States mail, postage prepaid by depositing a true and correct copy of Notice of Hearing on the date shown below, into the U.S. Post Office, Reno, NV to the interested parties described below: n/a

I declare under penalty of perjury that the foregoing is true and correct.

Signed on: July 16, 2013.

/s/ Mary Hernandez
Declarant, Mary Hernandez

Estimated income, Expenses and Cash Flow, Patrick and Patricia McCauley

The McCauley's are sole owners of GC Livestock, LLC which they use for a sheep operation which produces and sells lambs as well as wool and cull ewes. The McCauley's also own a ranch near Cedarville California which is currently under lease through December 31, 2015. Lacking perfect knowledge as to the future of the lease a cash flow was estimated assuming the lease will be terminated this year and one assuming the lease will continue for the 5 year period of the plan.

It is assumed the McCauley's will operate the ranch, if the lease is terminated, in conjunction with the sheep operation known as GC Livestock. There will be joint costs shared between the two enterprises.

There are four tables attached that that show the cash flow for the McCauley's under two assumptions: (1) the Cedarville ranch will continue to be leased and (2) the McCauley's will assume management of the ranch. Under each assumption there are two tables. The first one estimates the cash flow for the first year and a second table estimates the cash flow for years 2 through 5 of the plan for each management assumption (see Tables 1-4).

Table 5 shows the assumptions for sheep production on income for each year. The McCauley's will wean a 140% lamb crop because of shed lambing and close supervision reducing predator loss. They will cull 20% of old ewes each year and retain 50% of the ewe lambs as replacements. This allows the number of breeding ewes to increase each year of the plan.

Table 6 gives the hay production and income assumptions.

Table 7 shows the plan payment schedule for secured creditors. There has been no allowance for Administrative Costs which are included in the funds remaining after paying secured creditors.

Table 1. GC Livestock LLC Monthly Income, Expenses and Cash Flow, assuming Alexandre's continues to lease ranch, Year 1 of Plan.

Year Month	2013 OCT	2013 NOV	2013 DEC	2014 JAN	2014 FEB	2014 MAR	2014 APR	2014 MAY	2014 JUN	2014 JUL	2014 AUG	2014 SEPT	12 Month TOTAL
<u>INCOME Source</u>													
Lamb Sales			4,000		2,000	2,000	2,080						10,080
Cull Ewe Sales				1,590						1,170			1,170
Wool Sales													1,590
Hay Sales													0
Rental Income									9,000	9,000	9,000	9,000	36,000
Labor Income			2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	21,000
Total Income	0	0	6,100	3,690	4,100	4,100	4,180	2,100	11,100	12,270	11,100	11,100	69,840
<u>EXPENSES</u>													
Real Estate Taxes	2,000		2,000					2,000		2,000			8,000
Insurance			200			200			200			200	800
Hired Labor													0
Labor groceries													0
Contract Shearing							800						800
Livestock (Rams)												500	500
Purchased feed													0
Vet/Medicine	50	50	50	50	50	50	50	50	50	50	50	50	600
Fert./Seed/Chem.													0
Trucking													0
Fuel	500	500	500	500	500	500	500	500	500	500	500	500	6,000
R & M	50	50	50	50	50	50	50	50	50	50	50	50	600
Supplies	50	50	50	50	50	50	50	50	50	50	50	50	600
Utilities (Irrigation)													0
Legal & Acct							550						550
Operating Int.													0
Hay for Lambing													0
Grazing Purchase													0
Total Cash Exp.	2,650	650	2,850	650	650	850	2,000	2,650	850	2,650	650	1,350	18,450
<u>CASH FLOW</u>	(2,650)	(650)	3,250	3,040	3,450	3,250	2,180	(550)	10,250	9,620	10,450	9,750	51,390
Net Farm Income													51,390

Table 2. GC Livestock LLC Monthly Income, Expenses and Cash Flow, assuming Alexandre's continues lease, Years 2-5 of Plan.

Year	14-18	14-18	14-18	15-19	15-19	14-18	14-18	14-18	14-18	14-18	14-18	14-18	12 Month
Month	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	TOTAL
INCOME Source													
Lamb Sales					2,000	3,000	6,000	4,000		1,750			15,000
Cull Ewe Sales													1,750
Wool Sales				2,285									2,285
Hay Sales													0
Rental Income									9,000	9,000	9,000	9,000	36,000
Labor Income			2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	21,000
Total Income	0	0	2,100	4,385	4,100	5,100	8,100	6,100	11,100	12,850	11,100	11,100	76,035
EXPENSES													
Real Estate Taxes	2,000		2,000					2,000		2,000			8,000
Insurance			200			200			200			200	800
Hired Labor													0
Labor groceries													0
Contract Shearing							800						800
Livestock (Rams)												500	500
Purchased feed													0
Vet/Medicine	50	50	50	50	50	50	50	50	50	50	50	50	600
Fert./Seed/Chem.													0
Trucking													0
Fuel	500	500	500	500	500	500	500	500	500	500	500	500	6,000
R & M	75	75	75	75	75	75	75	75	75	75	75	75	900
Supplies	50	50	50	50	50	50	50	50	50	50	50	50	600
Utilities (Irrigation)													0
Legal & Acct							550						550
Operating Int.													0
Hay for Lambing													0
Grazing Purchase													0
Total Cash Exp.	2,675	675	2,875	675	675	875	2,025	2,675	875	2,675	675	1,375	18,750
CASH FLOW													
	(2,675)	(675)	(775)	3,710	3,425	4,225	6,075	3,425	10,225	10,175	10,425	9,725	57,285

Table 5. GC Livestock Sheep Production and Income.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Ewes Lambed	120	138	159	183	210
% weaned	1.40	1.40	1.40	1.40	1.40
Wethers Lambs	84	97	111	128	147
Ewe Lambs	84	97	111	128	147
Ewes culled/die	24	28	32	37	42
Ewes Replaced	42	48	56	64	73
Wethers Sold	84	97	111	128	147
Ewe Lamb Sold	42	48	56	64	73
Total Lambs Sold	126	145	167	192	220
Value per lamb	80	80	80	80	80
Lamb Income	10,080	11,592	13,331	15,330	17,630
Cull Ewes Sold No	18	21	24	28	35
Value per Ewe	65	65	65	65	65
Cull Income	1,170	1,365	1,560	1,820	2,275
Sheep Sheared	141	163	187	215	247
Wool pounds	1,273	1,464	1,684	1,936	2,227
Price per Lb.	1.25	1.25	1.25	1.25	1.25
Wool Income	1,591	1,830	2,105	2,420	2,783
Sheep Income	12,841	14,787	16,995	19,571	22,688
Shearing Costs					
Head Sheared	141	163	187	215	247
Cost per Head	4.50	4.50	4.50	4.50	4.50
Total Costs	637	732	842	968	1,113

Table 6. GC Livestock Hay Production and Income Assumptions.

Year	2013-14	2014-15	2015-16	2016-17	2017-18
Acres Harvested	300	300	300	300	300
Yield (Estimate)	4.00	4.00	4.00	4.00	4.00
Tons	1,200	1,200	1,200	1,200	1,200
Tons Sold	1,180	1,180	1,180	1,180	1,180
Value/Ton	185	185	185	185	185
Hay Income	218,300	218,300	218,300	218,300	218,300

Table 7. Payment Schedule.

<u>Source of Income</u>	<u>Table 1</u>	<u>Table 2</u>	<u>Table 3</u>	<u>Table 4</u>
Net Farm Income	51,390	57,285	51,890	63,085
Less McCauley's Living Expenses	22,320	22,320	22,320	22,320
Available to pay Creditors	29,070	34,965	29,570	40,765
<u>Plan Payments to Secured Creditors, Year 1 of Plan</u>				
Benner & Sandstrom	19,847	19,847	19,847	19,847
Dambacher	2,526	2,526	2,526	2,526
Modoc County Tax	6,357	6,357	6,357	6,357
Total Secured Payments	28,730	28,730	28,730	28,730
Balance of Funds Available*	340	6,235	840	12,035

* Administrative Expenses included here.

<u>Plan Payments to Secured Creditors, Years 2, 3 and 4 of Plan.</u>				
Benner & Sandstrom	19,847	19,847	19,847	19,847
Dambacher	8,797	8,797	8,797	8,797
Modoc County Tax	6,357	6,357	6,357	6,357
Total Secured Payments	35,001	35,001	35,001	35,001
Balance of Funds Available*	(5,931)	(36)	(5,431)	5,764

* Administrative Expenses included here.